

**ANNUAL REPORT  
OF THE  
REGULATORY FLEXIBILITY  
COMMITTEE**



**Indiana Legislative Services Agency  
200 W. Washington Street, Suite 301  
Indianapolis, Indiana 46204**

**October, 1999**

# INDIANA LEGISLATIVE COUNCIL

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# **REGULATORY FLEXIBILITY COMMITTEE**

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### **Staff**

Brian Tabor  
Fiscal Analyst for the Committee

Sarah Burkman  
Attorney for the Committee

A copy of this report is available on the Internet. Reports, minutes, and notices are organized by committee. This report and other documents for this Committee can be accessed from the General Assembly Homepage at <http://www.state.in.us/legislative/>.

## **I. STATUTORY AND LEGISLATIVE COUNCIL DIRECTIVES**

Under IC 8-1-2.6-4, the Regulatory Flexibility Committee is required to monitor competition in the *telecommunications industry*. The Committee is required to consider the following issues:

- (1) The effects of competition on available subsidies used to maintain universal service;
- (2) the status of modernization of the public telephone network in Indiana and the incentives required to further enhance this infrastructure;
- (3) the effects on economic development and educational opportunities of modernization;
- (4) the current method of regulating telephone companies and the method's effectiveness; and
- (5) the economic and social effectiveness of current telephone service pricing.

Under IC 8-1-2.5-9, the Committee is also required to monitor changes and competition in the *energy utility industry*, including the following issues:

- (1) The effects of competition or changes in the energy utility industry and the impact of the competition or changes on the residential rates;
- (2) the status of modernization of the energy utility facilities in Indiana and the incentives required to further enhance this infrastructure;
- (3) the effects on economic development of this modernization;
- (4) the traditional method of regulating energy utilities and the method's effectiveness;
- (5) the economic and social effectiveness of traditional energy utility service pricing; and
- (6) the effects of legislation enacted by the United States Congress.

In 1999, the Indiana General Assembly enacted SB 177 directing the Committee to study the following issues:

- (1) The enforcement powers of the Indiana Utility Regulatory Commission.
- (2) The single rate tariff method of billing for utility service.

In 1999, the Indiana General Assembly also enacted HB 1985 directing the Committee to review and study the scope, mission, programs, budget and cost structure of all state agencies' telecommunications systems and services, as compared with the same or similar services provided by privately owned telecommunications service companies.

In 1999, the Legislative Council directed the Committee to study the cable television industry, including the following issues:

- (1) The impact of federal government deregulation of cable television and other multichannel video programming services offered in Indiana;
- (2) competition in providing multichannel video programming to tenants of multiple dwelling units;
- (3) the rights of existing cable television subscribers in multiple dwelling units; and
- (4) property rights related to issues involving the delivery of multichannel video programming.

## **II. SUMMARY OF WORK PROGRAM**

The Committee met twice during the 1999 interim, on September 14, 1999, and September 27, 1999.

On September 14, 1999, the Committee received testimony concerning the telecommunications systems and services for state agencies. The Committee issued no recommendations on this subject.

On September 27, 1999, the Committee received testimony concerning single-rate water pricing issues and the enforcement power of the Indiana Utility Regulatory Commission (IURC). The Committee also received annual reports from the IURC on the telecommunications and energy industries. The Committee issued no recommendations on these subjects.

The Committee did not receive testimony concerning the cable television industry. The Committee made no recommendations on this subject.

Meeting minutes for Committee meetings can be accessed from the General Assembly Homepage at <http://www.state.in.us/legislative/interim/committees/rfsc.html>.